

FISCAL NOTE

HB 957 - SB 964

March 28, 2005

SUMMARY OF BILL: Authorizes a winery to receive or accept retail orders for wine produced and bottled on winery premises to be shipped directly to consumers 21 years of age or older either located in this state or out-of-state.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Exceeds \$87,400

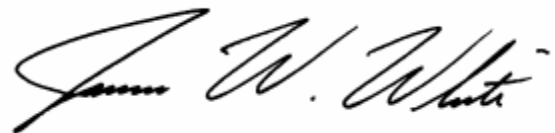
Increase Local Govt. Revenues – Exceeds \$20,400

Assumptions:

- FY 2004, excise tax payments from Tennessee wineries were \$230,000 for 190,083 gallons of wine from in-state wineries.
- FY 2006 estimated wine excise tax revenue will be \$278,300
- Excise tax payments at \$1.21/gallon for wineries with an estimated 10% growth per annum will generate an additional \$27,830 in wine excise tax.
- Increase in state sales tax of \$59,000 for additional wine sales.
- Increase in local sales tax based on average local sales tax rate of 2.4% will generate an additional \$20,400 in FY 2006.
- Wine purchases and shipments from wineries outside the state to consumers 21 years of age or older located in this state would not be allowed.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director